

VZCZCXRO2685
RR RUEHBZ RUEH DU RUEHGI RUEHJO RUEHMR RUEHRN
DE RUEH KI #1429 0010808
ZNR UUUUU ZZH
R 010808Z JAN 08
FM AMEMBASSY KINSHASA
TO RUEHC/SECSTATE WASHDC 7322
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY
RUEHXR/RWANDA COLLECTIVE
RUEAIIA/CIA WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK
RHMFISS/HQ USEUCOM VAIHINGEN GE

UNCLAS KINSHASA 001429

SIPDIS

SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [EINV](#) [ELTN](#) [PREL](#) [PGOV](#) [CG](#)

SUBJECT: DRC OUTSOURCES MANAGEMENT OF SNCC AND
ONATRA TO BELGIAN AND SPANISH COMPANIES

¶1. (U) Summary. The Steering Committee for the Reform of the Public Sector (COPIREP) solicited private sector bids for the management of the Congolese national railroad company (SNCC) and national transportation company (ONATRA) ports. The GDRC Council of Ministers has approved the awarding of management contracts to Belgian-owned Vecturis, for SNCC and Spanish-owned Progosa for the ONATRA ports, although the contracts have not yet been signed. Vecturis and Progosa apparently beat out TranSystems, a U.S. transportation consulting company that says it bid on both contracts. TranSystems is currently protesting the bidding process.
End Summary.

Background

¶2. (U) The Comité de Pilotage de la Réforme des Entreprises Publiques (COPIREP) was established in 2002 to create an institutional and legal framework for the reform of parastatal companies. The World Bank provided technical assistance and funded the creation of COPIREP with a six-year USD 120 million grant. COPIREP promoted public-private partnerships as a solution for failing DRC parastatal companies and, in 2005, managed the restructuring of Gecamines, the DRC mining parastatal, by outsourcing its management. As part of its ongoing reform of public sector companies, COPIREP solicited separate bids in September 2007 to take over management of both SNCC and the ONATRA ports.

CONTRACTS AWARDED

¶3. (U) The GDRC Ministry of Transport and the Ministry of Parastatal Enterprises issued a joint report on December 21 in support of Vecturis (Belgium) and Progosa (Spain) for the SNCC and ONATRA contracts, respectively. The Minister of Parastatals, Jeannine Mabunda, said Vecturis and Progosa submitted bids with the lowest costs for the technical assistance. The Council of Ministers agreed with the assessment, and plans to issue two-year management contracts to each company.

¶4. (SBU) TranSystems, based in Kansas City, says it also submitted bids in September 2007 for both contracts. According to a message received from CEO Frank DeCaro, TranSystems is the only company to have submitted at least one of the bids on time. TranSystems did not make the final bid selection for the SNCC contract, but TranSystems and Progosa were reportedly the only two companies considered for the ONATRA contract. DeCaro is protesting the decision by COPIREP based on suspicion of fraud and/or bribery on the part of Progosa.

Garvelink